

ATTACHMENT A

New Procedures for Processing Prior Notifications and Applications under Regulation K*

Procedures that Apply to all Types of Notifications and Applications

Within one business day following receipt, the Reserve Bank should forward three copies plus one official record copy of a prior notification or application filed pursuant to Regulation K to the BS&R Clearing Unit. An electronic message should be sent to the Project Manager responsible for Regulation K applications at the Board advising that the materials have been forwarded. The cover letter to the Clearing Unit should indicate what materials have been enclosed. Within one business day of receipt, the Reserve Bank should forward copies of the prior notification or application to the Comptroller of the Currency and any other Reserve Bank for their comments, as appropriate.

Within seven calendar days of receipt, the Reserve Bank should forward the acknowledgement letter and a completed control sheet to the Clearing Unit.

If additional information is needed to complete a filing, the Reserve Bank should forward a draft additional information request to Board staff for review. While there is no set time limit for requesting additional information, the draft request should be forwarded by the Reserve Bank within a reasonable time period so that processing of the prior notification or application will not be delayed. Copies of any requests for additional information or other correspondence with the applicant initiated by the Reserve Bank during processing should be forwarded to the Clearing Unit for distribution.

Each prior notification or application should be stamped as “received” by the Reserve Bank no later than one business day after the notice or application arrives at the Reserve Bank (e.g., if the Reserve Bank’s mail room receives a notice Friday evening, the notice should be stamped in as “received” no later than the following Monday, and the notice period would commence on Monday). All copies of the prior notification or application should clearly indicate the date on which it was stamped as “received.”

Within seven calendar days of receipt of a prior notification or application, if circumstances warrant such action, the Reserve Bank, in consultation with Board staff, may return the filing as informationally incomplete. Prior notifications or applications should only be returned in situations where the information submitted is clearly deficient and it is unlikely that the applicant will be able to provide the required information in the near future. A decision to return a filing may be made if the applicant fails to provide on a timely basis any additional information requested that is considered material to the processing of the prior notification or

* Applications filed under Subpart B of Regulation K continue to be subject to existing processing procedures. 45-day prior notices filed under Subpart B of Regulation K should follow the procedures established in this SR letter.

application. The letter returning the prior notification or application as informationally incomplete should describe the deficiencies and indicate that the time period associated with the returned filing is terminated and that any subsequent submission is a new prior notification or application with its own time period starting from the day of receipt. A copy of the letter returning the prior notification or application should also be forwarded to the Clearing Unit.

12-Day Prior Notice

Given the short processing time frame, a copy of the 12-day prior notice should be faxed to the Clearing Unit within one business day following receipt of the notice. Within seven calendar days of receipt, the Reserve Bank should send a letter to the notificant acknowledging receipt of the filing. The letter should indicate that the branch may be established after the 12th business day (the exact date should be stated in the letter) unless the notificant is otherwise notified. Given the nature of the types of proposals that qualify for the 12-day prior notice procedure, requests for additional information are expected to be rare.

However, if the Reserve Bank in consultation with Board staff determine that additional information is needed, the Reserve Bank should include in the acknowledgement letter any request for additional information. If additional information is requested, the letter should indicate that the requested information must be received by the Reserve Bank within 3 business days of the date of the Reserve Bank's request in order to avoid unnecessary delays in processing. In addition to mailing the letter to the applicant, the Reserve Bank should also fax the letter on the day the letter is dated.

The Reserve Bank's recommendation is due to the Clearing Unit on the 9th business day after receipt of the notification.

TIME LINE FOR 12-DAY PRIOR NOTICE

	Business Days
Receipt of 12-day prior notice	0
Copy of notice and fax to BS&R Clearing Unit	1
Copies of notice to OCC/other FRB	1
Acknowledgement letter and request for additional information to Applicant (7 calendar days)	5
Applicant's response	8
Reserve Bank recommendation to Clearing Unit	9
Notice period expires	12

30-Day Prior Notice

Within seven calendar days of the day that a 30-day prior notification is received, the Reserve Bank should send a letter to the notificant acknowledging receipt of the filing. The letter should indicate that the transaction described in the notice may be consummated after the 30th calendar day after the receipt of the notice (the exact date should be stated in the letter) unless the notificant is otherwise notified.

If the Reserve Bank in consultation with Board staff determine that a written additional information request is needed to analyze a prior notification, the Reserve Bank should send a letter to the notificant requesting the additional information within 8 business days of receipt of the prior notification. The letter should indicate that the requested information must be received by the Reserve Bank within 5 business days of the date of the Reserve Bank's request in order to avoid unnecessary delays in processing. In addition to mailing the letter to the applicant, the Reserve Bank should also fax the letter on the day the letter is dated.

The Reserve Bank's recommendation is due to the Clearing Unit on the 23rd calendar day after receipt of the notification.

TIME LINE FOR 30-DAY PRIOR NOTICE

	Business Days
Receipt of prior notice	0
Copies of notice to BS&R Clearing Unit and to OCC/other FRB	1
Letter to Applicant acknowledging receipt (7 calendar days)	5
Request to Applicant for additional information (suggested)	8
Applicant's response	13
	Calendar Days
Reserve Bank memo to Clearing Unit	23
Notice period expires	30

45-Day Prior Notice

Within seven calendar days of the day that a 45-day prior notification is received, the Reserve Bank should send a letter to the applicant acknowledging receipt of the filing. The letter should indicate that the transaction described in the notice may be consummated after the 45th calendar day after the receipt of the notice (the exact date should be stated in the letter) unless the notificant is otherwise notified.

If the Reserve Bank in consultation with Board staff determine that additional information is needed to analyze a prior notification, the Reserve Bank should send a letter to the notificant requesting the additional information within 10 business days of receipt of the prior notification. The letter should indicate that the requested information must be received by the Reserve Bank within 8 business days of the date of the Reserve Bank's request in order to avoid unnecessary delays in processing. In addition to mailing the letter to the applicant, the Reserve Bank should also fax the letter on the day the letter is dated.

The Reserve Bank's recommendation is due to the Clearing Unit on the 38th calendar day after receipt of the notification.

TIME LINE FOR 45-DAY PRIOR NOTICE

	Business Days
Receipt of prior notice	0
Copies of notice to BS&R Clearing Unit and to OCC/other FRB	1
Letter to Applicant acknowledging receipt (7 calendar days)	5
Request to Applicant for additional information (suggested)	10
Applicant's response	18
	Calendar Days
Reserve Bank memo to Clearing Unit	38
Notice period expires	45

Subpart A Specific Consent

In the case of an application filed under Subpart A of Regulation K, the acknowledgement letter should indicate that the Board seeks to act on every application within 60 days of the date the application is filed with the Reserve Bank. The letter should also state that if the Board is unable to act within 60 days of the date that the application is filed with the Reserve Bank, the applicant will be advised of the reason for the delay.

If the Reserve Bank in consultation with Board staff determine that additional information is needed to analyze an application, the Reserve Bank should send a letter to the applicant requesting the additional information within 10 business days of receipt of the application. The letter should advise the applicant that the requested information must be received by the Reserve Bank within 8 business days of the date of the Reserve Bank's request in order to avoid unnecessary delays in processing. In addition to mailing the letter to the applicant, the Reserve Bank should also fax the letter to the applicant on the day the letter is dated.

The Reserve Bank's memorandum and recommendation are due to the Clearing Unit on the 45th calendar day after receipt of the application.

TIME LINE FOR SUBPART A SPECIFIC CONSENT APPLICATIONS

	Business Days
Receipt of application	0
Copies of application to BS&R Clearing Unit and to OCC/other FRB	1
Letter to Applicant acknowledging receipt (7 calendar days)	5
Request to Applicant for additional information (suggested)	10
Applicant's response	18
	Calendar Days
Reserve Bank memo to Clearing Unit	45
Internal target date for action	60

Subpart B Specific Consent

Reserve Banks should continue to use the same procedures for applications filed under Subpart B that are currently used. In the case of an application under Subpart B of Regulation K, Reserve Bank and Board staff must review an application and request additional information within 15 business days of receipt of an application by the Reserve Bank. The applicant must respond within 20 business days. If the applicant does not respond within that time, the application could be returned as informationally deficient. After receipt of additional information, the Reserve Bank and Board staff would have an additional 10 business days to request additional information. The applicant would be given 10 business days to respond to the second request for additional information.

The Board is required to act on applications to establish a branch or agency within 180 days of the date that the application is filed with the Reserve Bank, unless the period is extended for an additional 180 days.